



Department of Motor Vehicles
Motor Carrier Services
Tax & Revenue Services
P.O. Box 27422
Richmond, Virginia 23261-7422

Motor Vehicle Rental Tax Schedule of Additional Tax

SEE INSTRUCTIONS ON THE REVERSE SIDE

MCS 127 (Rev. 09/98)

NAME OF BUSINESS	LICENSE NUMBER	REPORT FOR THE MONTH AND YEAR OF
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	FIRST LOCALITY	SECOND LOCALITY	THIRD LOCALITY	FOURTH LOCALITY	FIFTH LOCALITY	TOTALS
A. LOCATION OF BUSINESS STREET ADDRESS COUNTY, CITY OR TOWN ZIP CODE						
B. LOCALITY CODE						
1. GROSS PROCEEDS						
1A. CREDIT FOR BAD DEBTS						
1B. BAD DEBT RECOVERY						
1C. ADJUSTED GROSS PROCEEDS						
2. EXEMPTIONS:						
2A. GOVERNMENT RENTALS						
2B. RE-RENTALS						
2C. TOTAL EXEMPTIONS						
3. NET TAXABLE PROCEEDS						
4. TAX LIABILITY						
4A. ADJUSTMENTS (DEBIT OR CREDIT)						
					5. ADJUSTED TAX LIABILITY ≡	

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THIS SCHEDULE MUST BE SUBMITTED FOR EACH COUNTY, CITY, OR TOWN IN WHICH A RENTAL BUSINESS IS LOCATED.
IF YOU HAVE ONE LOCATION ONLY, DO NOT SUBMIT THIS FORM.

INSTRUCTIONS

Use a separate column for each locality in which a rental business is located. Complete the form using the following instructions for each locality listed. Use additional pages if needed. The steps outlined below are followed for each page.

Line A: Enter the information requested for each location generating rental revenue.

Line B: Enter the locality code. Refer to the list furnished by DMV of Virginia cities, counties, and towns with DMV codes.

1. **Gross Proceeds.** Enter the amount of gross proceeds derived from the rental of any motor vehicle and/or trailer except mobile offices, mobile homes, and motorcycles.
 - 1A. **Credit for Bad Debts.** Enter the amount of bad debts on rental transactions subject to the 4% Additional Tax which have been charged off as worthless for federal income tax purposes for the appropriate locality during this reporting period.
 - 1B. **Bad Debt Recovery.** Enter the amount of rental proceeds charged off on previous returns and subsequently collected during the current reporting period for the appropriate locality.
 - 1C. **Adjusted Gross Proceeds.** Deduct Line 1A from Line 1, then add Line 1B and enter the result on Line 1C.
 2. **Exemptions:**
 - 2A. **Government Rentals.** Enter the tax exempt portion of gross proceeds derived from any of the following for the appropriate locality:
 - The Federal Government or any of its agencies.
 - The State of Virginia or its political subdivisions (i.e., any town, city or county).
 - Any volunteer fire department or rescue squad not operated for profit.
 - 2B. **Re-Rentals.** Enter the portion of gross proceeds derived from rentals to another licensed rentor for the purpose or re-rental for the appropriate locality.
 - 2C. **Total Exemptions.** Add Line 2A and Line 2B. Enter the result of Line 2C.
 3. **Net Taxable Proceeds.** Subtract line 2C from Line 1C. Enter the result on Line 3.
 4. **Tax Liability.** Multiply the amount on Line 3 by 4% (.04). Enter the result on Line 4.
 - 4A. **Adjustments.** Enter any credit which is due (-) or any additional tax which is due (+) from any previous reporting period for the appropriate locality.
- Add up the figures in each row (for items 1 through 4A), and enter the total amount for each line in the Totals Column.
5. **Adjusted Tax Liability.** Enter the sum or difference (whichever is applicable) of Lines 4 and 4A in the Totals Column.

FURTHER INSTRUCTIONS

Schedule of Additional Tax is one page:

Transfer the amounts in each Line in the Totals Column to the corresponding Line in Column C of the Motor Vehicle Rental Tax Return (MCS-101).

Schedule of Additional Tax is more than one page:

Combine the totals for each Line in the Totals Column for all of the pages to obtain a Grand Total. Transfer the Grand Total (combined sum of each Line for all pages) to the corresponding Line in Column C of the Motor Vehicle Rental Tax Return (MCS-101).

Attach the Schedule of Additional Tax to the Motor Vehicle Rental Tax Return (MCS-101)